

2004

California Corporation

Franchise or Income Tax Return — Water's-Edge Filers

100W

For calendar year 2004 or fiscal year beginning month _____ day _____ year 2004, and ending month _____ day _____ year 20 _____.	
California corporation number _____	Federal employer identification number (FEIN) _____
Corporation name _____	
Address including Suite or Room no. _____	PMB no. _____
City _____ State _____ ZIP Code _____	

A Final return? ☐ Dissolved ☐ Surrendered (withdrawn) ☐ Merged/Reorganized
☐ IRC Section 338 sale ☐ QSub election. Enter date ☐ _____

B Is income included in a combined report of a unitary group? ☐ Yes ☐ No
 If yes, indicate: ☐ wholly within CA (R&TC 25101.15) ☐ within and outside of CA

C This return is being filed pursuant to a water's-edge election under R&TC Section 25113, commencing on ☐ (enter date) _____

D Was the corporation's income included in a federal consolidated return? ☐ Yes ☐ No

Questions continued on Side 2

State Adjustments	1 Net income (loss) before state adjustments. See instructions	● 1		
	2 Amount deducted for foreign or domestic tax based on income or profits	● 2		
	3 Amount deducted for tax under the provisions of the Corporation Tax Law	● 3		
	4 Interest on government obligations	● 4		
	5 Net California capital gain from Schedule D, line 11	● 5		
	6 Depreciation and amortization in excess of amount allowed under California law. Attach form FTB 3885	● 6		
	7 a Net income from included CFCs from form FTB 2416, column i. See instructions	● 7a		
	b Net income from corporations not included in federal consolidated return. See instructions	● 7b		
	8 Other additions. Attach schedule(s)	● 8		
	9 Total. Add line 1 through line 8	● 9		
Calif. Net Income	10 Intercompany dividend deduction. Attach Schedule H (100W)	● 10		
	11 a Foreign dividend deduction. Attach Schedule H (100W)	● 11a		
	b Dividends received deduction	● 11b		
	12 Additional depreciation allowed under CA law. Attach form FTB 3885	● 12		
	13 Capital gain from federal Form 1120 or Form 1120A, line 8	● 13		
	14 Contributions	● 14		
	15 EZ, TTA, or LAMBRA business expense and EZ net interest deduction	● 15		
	16 Other deductions. Attach schedule(s)	● 16		
	17 Total. Add line 10 through line 16	● 17		
	18 Net income (loss) after state adjustments. Subtract line 17 from line 9. See instructions	● 18		
Taxes	19 Net income (loss) for state purposes. Complete Schedule R if apportioning income. See instructions	● 19		
	20 Net operating loss (NOL) carryover deduction. See instructions	● 20		
	21 Pierce's disease, EZ, LARZ, TTA, or LAMBRA NOL carryover deduction. See instructions	● 21		
	22 Disaster loss carryover deduction. See instructions	● 22		
	23 Net income for tax purposes. Combine line 20 through 22. Then subtract from line 19	● 23		
	24 Tax. _____ % x line 23 (not less than minimum franchise tax, if applicable)	■ 24		
	25 Enter credit name _____ code no. _____ and amount	▶ 25		
Payments	26 Enter credit name _____ code no. _____ and amount	▶ 26		
	27 To claim more than two credits, see instructions	● 27		
	28 Add line 25 through line 27	■ 28		
	29 Balance. Subtract line 28 from line 24 (not less than minimum franchise tax, if applicable)	■ 29		
	30 Alternative minimum tax. Attach Schedule P (100W). See instructions	■ 30		
	31 Total tax. Add line 29 and line 30	■ 31		
	32 Overpayment from prior year allowed as a credit	■ 32		
Refund - Direct Deposit of Refund (DDR) - or Amount Due	33 2004 Estimate tax payments. See instructions	■ 33		
	34 2004 Nonresident or real estate withholding. See instructions	■ 34		
	35 Amount paid with extension of time to file return	■ 35		
	36 Total payments. Add line 32 through line 35	■ 36		
	37 Tax due. If line 31 is more than line 36, subtract line 36 from line 31. Go to line 41	■ 37		
	38 Overpayment. If line 36 is more than line 31, subtract line 31 from line 36	■ 38		
	39 Amount of line 38 to be credited to 2005 estimated tax	■ 39		
	40 Refund. Amount of line 38 to be refunded. Line 38 less line 39. See DDR instructions	■ 40		
	Fill in the account information to have the refund directly deposited. a. Routing number	● 40a		
	b. Type: Checking <input type="checkbox"/> Savings <input type="checkbox"/> c. Account number	● 40c		
41 a Penalties and interest. b <input type="checkbox"/> Check if estimate penalty computed using Exception B or C. See instructions	■ 41a			
42 Total amount due. Add line 37 and line 41a. Pay this amount	42			

Part I Short-Term Capital Gains and Losses – Assets Held One Year or Less. Use additional sheet(s) if necessary.

Part II Long-Term Capital Gains and Losses – Assets Held More Than One Year. Use additional sheet(s) if necessary.

Schedule J Add-On Taxes and Recapture of Tax Credits. See instructions.

Questions (continued from Side 1)

N How many affiliates in the combined report are claiming immunity from taxation in California under Public Law 86-272? ● _____

O Corporation headquarters are: ● (1) ☐ Within California
(2) ☐ Outside of California, within the U.S. (3) ☐ Outside of the U.S.

P Location of principal accounting records _____

Q Accounting method: ● (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other

R Did this corporation or one of its subsidiaries make a federal election to be treated as a foreign sales corporation (FSC) or a domestic international sales corporation (DISC)? ☐ Yes ☐ No

S Is this corporation or any of its subsidiaries a RIC? ● ☐ Yes ☐ No

T Is this corporation treated as a REMIC for California purposes? ● ☐ Yes ☐ No

U Is this corporation a REIT for California purposes? ● ☐ Yes ☐ No

V Is this corporation an LLC or limited partnership electing to be taxed as a corporation for federal purposes? ● ☐ Yes ☐ No

W Is this corporation to be treated as a credit union? ● ☐ Yes ☐ No

X Is the corporation under audit by the IRS or has it been audited by the IRS in a prior year? ● ☐ Yes ☐ No

Y Have all required information returns (e.g. federal Forms 1099, 5471, 5472, 8300, 8865, etc.) been filed with the Franchise Tax Board? .. ☐ N/A ☐ Yes ☐ No

Z Does the taxpayer (or any corporation of the taxpayer's combined group, if applicable) own 80% or more of the stock of an insurance company? ☐ Yes ☐ No

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Signature of officer ▶	Title	Date	● Telephone () ● Preparer's SSN/PTIN
Paid Preparer's Use Only	Preparer's signature ▶	Date	Check if self-employed ▶ <input type="checkbox"/>	● FEIN — ● Telephone ()
	Firm's name (or yours, if self-employed) and address ▶			

Schedule A Taxes Deducted. Use additional sheet(s) if necessary.

(a) Nature of tax	(b) Taxing authority	(c) Total amount	(d) Nondeductible amount
Total. Enter total of column (c) on Schedule F, line 17, and total of column (d) on Side 1, line 2 or line 3			

Schedule F Computation of Net Income. See instructions.

Income	1	a) Gross receipts or gross sales	b) Less returns and allowance	c) Balance	1c			
	2	Cost of goods sold. Attach federal Schedule A (California Schedule V)			2			
	3	Gross profit. Subtract line 2 from line 1c			3			
	4	Dividends. Attach federal Schedule C, California Schedule H (100W)			4			
	5	a	Interest on obligations of the United States and U.S. instrumentalities		5a			
		b	Other interest. Attach schedule(s)		5b			
	6	Gross rents			6			
	7	Gross royalties			7			
	8	Capital gain net income. Attach federal Schedule D (California Schedule D)			8			
	9	Ordinary gain (loss). Attach federal Form 4797 (California Schedule D-1)			9			
	10	Other income (loss). Attach schedule			10			
11	Total income. Add line 3 through line 10			11				
Deductions	12	Compensation of officers. Attach federal Schedule E or equivalent schedule			12			
	13	Salaries and wages (not deducted elsewhere)			13			
	14	Repairs			14			
	15	Bad debts			15			
	16	Rents			16			
	17	Taxes (California Schedule A)			17			
	18	Interest. Attach schedule			18			
	19	Contributions. Attach schedule			19			
	20	Depreciation. Attach federal Form 4562 and FTB 3885			20			
	21	a	Less depreciation claimed elsewhere on return	21a				
		b		21b				
	22	Depletion. Attach schedule			22			
	23	Advertising			23			
	24	Pension, profit-sharing plans, etc.			24			
	25	Employee benefit plans			25			
	26	a	Total travel and entertainment	b	Deductible amounts	26b		
	27	Other deductions. Attach schedule			27			
28	Total deductions. Add line 12 through line 27			28				
29	Net income before state adjustments. Subtract line 28 from line 11. Enter here and on Side 1, line 1			29				

Schedule V Cost of Goods Sold

1	Inventory at beginning of year	1		
2	Purchases	2		
3	Cost of labor	3		
4	a Additional IRC Section 263A costs. Attach schedule	4a		
	b Other costs. Attach schedule	4b		
5	Total. Add line 1 through line 4b	5		
6	Inventory at end of year	6		
7	Cost of goods sold. Subtract line 6 from line 5	7		

Method of inventory valuation ►

Was there any change in determining quantities, costs of valuations between opening and closing inventory? If "Yes," attach an explanation .. ☐ Yes ☐ No

Enter California seller's permit number, if any ►

Check if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970 ☐

If the LIFO inventory method was used for this taxable year, enter the amount of closing inventory under LIFO

Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the corporation? ☐ Yes ☐ No

The corporation may not be required to complete Schedules L, M-1 and M-2. See Schedule M-1 instructions for reporting requirements.

Schedule L Balance Sheets		Beginning of taxable year		End of taxable year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				•
2	a Trade notes and accounts receivable			•	
	b Less allowance for bad debts	()		• ()	•
3	Inventories				•
4	Federal and state government obligations				•
5	Other current assets. Attach schedule(s)				•
6	Loans to stockholders/officers. Attach schedule				•
7	Mortgage and real estate loans				•
8	Other investments. Attach schedule(s)				•
9	a Buildings and other fixed depreciable assets			•	
	b Less accumulated depreciation	()		• ()	•
10	a Depletable assets				
	b Less accumulated depletion	()		()	
11	Land (net of any amortization)				•
12	a Intangible assets (amortizable only)			•	
	b Less accumulated amortization	()		()	
13	Other assets. Attach schedule(s)				•
14	Total assets.				•
Liabilities and Stockholders' Equity					
15	Accounts payable				•
16	Mortgages, notes, bonds payable in less than 1 year				•
17	Other current liabilities. Attach schedule(s)				•
18	Loans from stockholders				•
19	Mortgages, notes, bonds payable in 1 year or more				•
20	Other liabilities. Attach schedule(s)				•
21	Capital stock: a Preferred stock			•	
	b Common stock			•	•
22	Paid-in or capital surplus. Attach reconciliation				•
23	Retained earnings – Appropriated. Attach schedule				
24	Retained earnings – Unappropriated				
25	Adjustments to shareholders' equity. Attach schedule				
26	Less cost of treasury stock		()		()
27	Total liabilities and stockholders' equity				

Schedule M-1 Reconciliation of income (loss) per books with income (loss) per return.

If the corporation completed federal Schedule M-3 (Form 1120), see instructions.

1	Net income per books	•	7	Income recorded on books this year not included in this return (itemize)		
2	Federal income tax	•		a Tax-exempt interest \$	•	
3	Excess of capital losses over capital gains	•				
4	Taxable income not recorded on books this year (itemize)	•		8	Deductions in this return not charged against book income this year (itemize)	
5	Expenses recorded on books this year not deducted in this return (itemize)				a Depreciation	\$
	a Depreciation	\$			b State tax refunds	\$
	b State taxes	\$				
	c Travel and entertainment	\$				
6	Total. Add line 1 through line 5		9	Total. Add line 7 and line 8		
			10	Net income per return. Subtract line 9 from line 6 ..		

Schedule M-2 Analysis of unappropriated retained earnings per books (Schedule L, line 24)

1	Balance at beginning of year	•	5	Distributions: a Cash	•
2	Net income per books	•		b Stock	•
3	Other increases (itemize)			c Property	•
			6	Other decreases (itemize)	•
4	Total. Add line 1 through line 3		7	Total. Add line 5 and line 6	
			8	Balance at end of year. Subtract line 7 from line 4	